14 November 2025

ARAIO Workshop

AIA (OECD PARIS) ACHIEVEMENTS AND FRUSTRATIONS

Earlier this year, the new worry for the AIA was the Trump administration's attack on international organisations, indeed on any kind of multilateral agreement. The US pays about 20% of the OECD annual budget, from which pensions of retired staff and much of their healthcare is funded. These worries so far have not materialised as anything that has, or likely will, affect retired staff. A pension and health reserve fund has been built up this century, and we are told that it is now large enough to pay our pensions and health cover for some time. The statutes of the OECD state clearly that if one or more member country leaves the Organisation, or defaults on its contribution, the others will continue to fund pensions (at least) until the death of the last pensioner. There are precedents. Pensions of retired League of Nations staff continued to be paid for decades after it was dissolved. Pensions of retired staff from the Western European Union, wound up in 2009, continue to be paid, as is their health cover.

No frustrations to speak of, but bad tax news for many of our members. Most retired staff from the OECD live in France. The health cover of many of them (and for many living in other countries) is assured by the OECD's in-house health system, the OMESYS. But about half the retirees living in France also receive a national French pension, which entitles them to health cover in the French Social Security system (the "Sécu). They can use the OMESYS as a "top-up" to cover most of the difference between costs reimbursed by the sécu and the total costs. They must pay a 9.3% social contribution rate on their French pensions, as well as any income tax, but until this year (for OECD retirees) they did not pay social contributions on their OECD pensions. Legally, they should always have done so, but they were never asked. Since late spring, such pensioners have increasingly been contacted by their local tax inspectors demanding that they pay 9.3% also on their OECD pensions, back-dated 3 years. The AIA, together with a few other Organisations in a similar position, is exploring the possibility of hiring legal experts to clarify all the implications of this new development.